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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD,

Debtor.

Case No. BK-23-10423-mkn

Chapter 11

**AMENDED DECLARATION OF
CHRISTOPHER ANDREW MCALARY
IN SUPPORT OF MOTION FOR
ENTRY OF AN ORDER APPROVING
KEY EMPLOYEE RETENTION
PROGRAM AND GRANTING
RELATED RELIEF**

Hearing Date: May 18, 2023

Hearing Time: 10:30 a.m.

1 I, Christopher Andrew McAlary, declare as follows:

2 1. I am the Chief Executive Officer of Cash Cloud, Inc. dba Coin Cloud (the “Debtor”
3 or “Cash Cloud”), debtor and debtor in possession in the above captioned chapter 11 case (the
4 “Chapter 11 Case”).

5 2. Except as otherwise indicated herein, this Declaration is based upon my personal
6 knowledge. I am over the age of 18 and am mentally competent. If called upon to testify, I would
7 testify competently to the facts set forth in this Declaration.

8 3. I make this Declaration in support of Debtor’s *Reply in Support Motion for Entry of*
9 *an Order Approving Key Employee Retention Program and Granting Related Relief* (the “Reply”).

10 4. As described more fully in the KERP Motion, the Debtor significantly reduced its
11 workforce by approximately 52% prior to the Petition Date. Unfortunately, since the date of the
12 filing of the KERP Motion, 5 additional critical employees have left the Debtor. The Debtor is at a
13 crucial point in its Chapter 11 Case, and in its efforts to stabilize its business operations. The Court
14 has authorized the Debtor to implement bidding procedures, with an auction scheduled in June.
15 Many of the potential bidders have expressed interest in proposing plans of reorganization that
16 would involve the continuation of the Debtor’s business as a going concern. The Participants are
17 critical to maintaining the Debtor’s going concern value.

18 5. For example, many of the Participants have developed valuable institutional
19 knowledge regarding the Debtor’s operations that would be difficult and expensive to replace,
20 particularly on an expedited basis, and other Participants are crucial in getting the Debtor’s machines
21 back online so the Debtor can generate revenue. Moreover, many of the Participants have expressed
22 uncertainty about their ability to remain with the Debtor in light of the increased responsibilities and
23 tasks they have had to perform during the pendency of the Chapter 11 Case.

24 6. The Debtor only has two active insiders pursuant to Section 101(31)(B): (1) Daniel
25 Ayala (“Mr. Ayala”), the independent director hired during the pendency of this Chapter 11 Case,
26 and (2) myself, the CEO, Director, and equity holder of the Debtor. Additionally, Mr. Ayala and I
27 are the only two individuals who currently have fiduciary duties to the Debtor, and operational
28 authority to make broad decisions on behalf of the Debtor.

1 7. In an effort to provide the Court with more transparency, a description of the job
2 titles, departments, and divisions of the Participants (the “Participant Descriptions”) is attached to
3 this Amended Declaration as **Exhibit 1**. Although some of the job titles contain common title
4 phrases such as “VP,” “chief,” and “director,” none of the Participants have broad responsibilities
5 outside of their respective departments and divisions. Each of the Participants is a valuable
6 professional with distinct expertise within his or her specific department, but has no control or
7 responsibilities within any other department, or any semblance of decision-making authority for the
8 Debtor and its operations as a whole.

9 8. The purpose of the Retention Bonus is to incentive key employees, who are essential
10 in both the day-to-day operations of the Debtor, and in assisting in the Debtor’s reorganization efforts,
11 to remain with Debtor throughout the pendency of the Chapter 11 Case and beyond. Many of the
12 Participants have been subjected to an overburdensome workload as they have been required to fulfill
13 both their normal daily tasks, and significant additional tasks to assist in the Chapter 11 Case. Some
14 of the Participants have indicated that the heightened workload, and uncertainty as to the future of the
15 Debtor, may force them to search for other employment opportunities. Accordingly, the Retention
16 Bonus is designed to compensate the Participants and incentivize them to remain with the Debtor.

17 9. The Debtor has selected each of the Participants because their essential skillset and
18 knowledge is a valuable asset to the Debtor operationally, and in its reorganization efforts. The cost
19 of replacing each of the Participants, which would include paying recruiting and hiring firms,
20 expending efforts on interviews and recruitment activities, and expending valuable time and effort to
21 get new hires acquainted with the Debtor’s operations and Chapter 11 Case, would far exceed the
22 overall cost the Retention Bonus. Additionally, 9 of the Participants, who comprise approximately
23 80% of the Retention Bonus, are only receiving half of their proposed Retention Bonus upon approval
24 of the KERP Motion. Therefore, the cost of the Retention Bonus is reasonable compared to the cost
25 of replacing the Participants.

26 10. As previously described, each of the Participants was chosen based on their important
27 contributions both operationally, and to the Debtor’s Chapter 11 Case. More specifically, 9 of the
28 Participants work in the departments of finance, human resources, operations, and compliance, and

1 the other 19 work in the machine operations team, which has undertaken a significant and burdensome
2 effort to redeploy and replace many of the Debtor's machines. While the Debtor would ideally be
3 able to provide each of its employees with a retention bonus, at this critical stage in the reorganization
4 process, certain employees have knowledge and expertise that is irreplaceable. Therefore, the scope
5 of the Retention Bonus is fair and reasonable.

6 11. The crypto-atm industry is an emerging industry with few large competitors. The
7 industry is fairly unregulated and has very little standard employment practices. While the Debtor
8 believes that payment of bonuses as a mechanism for employee retention is commonplace in many
9 industries, it is not possible for the Debtor to retrieve specific information as to competitors in the
10 crypto-atm industry, especially given that the overwhelming majority of industry players are privately
11 owned companies.

12 12. As previously described, the Debtor put significant thought into both the employees
13 who should receive the Retention Bonus, and the financially feasible amount that the Debtor could
14 pay towards the Retention Bonus. The Debtor identified employees who were likely to seek job
15 opportunities elsewhere, given their increased workload in both the Debtor's day-to-day operations,
16 and in their responsibilities in assisting in the Chapter 11 Case.

17 13. The Debtor's attorneys and financial advisors have reviewed the Retention Bonus, and
18 have determined that the Debtor has sufficient funds to make such payments without any detrimental
19 effects to its operations and financial position.

20 I declare, under penalty of perjury of the laws of the United States of America, that the
21 foregoing statements are true and correct to the best of my knowledge, information and belief.

22 Executed this 12th day of May 2023 in Las Vegas, Nevada.

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24 /s/Christopher Andrew McAlary
Christopher Andrew McAlary
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EXHIBIT 1

Employment Status	Hire Date	Annual Salary	Retention Bonus (10% April 7, 2023)	Division	Department	Job Title
Full-Time	9/23/2020	\$ 145,540.06	\$ 14,554.01	Operations	Cash Logistics	Senior Director of Cash Logistics
Full-Time	5/3/2022	\$ 220,000.00	\$ 22,000.00	Human Resources	People Operations	VP of People Operations
Full-Time	9/27/2021	\$ 80,250.13	\$ 8,025.01	Operations	Client Support - Admin	Client Support Manager
Full-Time	1/18/2021	\$ 222,000.00	\$ 22,200.00	IT	IT	Senior VP of Information System
Full-Time	8/1/2022	\$ 165,000.00	\$ 16,500.00	Finance	Financial Planning and Analysis	VP of Finance/Accounting Temp Ops
Full-Time	5/10/2021	\$ 87,000.00	\$ 8,700.00	Compliance	Compliance	Compliance Manager/Interim BSA Officer
Full-Time	3/22/2021	\$ 150,000.00	\$ 15,000.00	Sales and Marketing	Sales	Director of Client Relations
Full-Time	11/2/2020	\$ 275,000.00	\$ 27,500.00	Sales and Marketing	Sales	Chief Revenue Officer
Full-Time	8/27/2018	\$ 80,000.18	\$ 8,000.02	Operations	Installation	Service Operations Manager

TOTAL:	\$	142,479.04
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Notes:

The above employees were met in October 2022 and in December 2022; they were told should they stay through April 7, 2023 they would be eligible for a 10% retention bonus.

Retention for those key in our Machine operation, they were not told there would be a bonus but they are key for delivery in our success to keep our machines online and serviced

Employment Status	Hire Date	Annual Salary	Machine Ops Retention	Division	Department	Job Title
Full-Time	06/28/2021	\$ 41,600.00	\$ 1,500.00	Operations	Cash Logistics	Cash Logistics Specialist
Full-Time	07/19/2021	\$ 41,600.00	\$ 1,500.00	Operations	Cash Logistics	Cash Logistics Specialist
Full-Time	08/09/2021	\$ 41,600.00	\$ 1,500.00	Operations	Cash Logistics	Cash Logistics Specialist
Full-Time	12/13/2021	\$ 41,600.00	\$ 1,500.00	Operations	Installation	Install Coordinator
Full-Time	07/19/2021	\$ 41,600.00	\$ 1,500.00	Operations	Warehouse	Manufacturing Technician
Full-Time	09/07/2021	\$ 41,600.00	\$ 1,500.00	Operations	Warehouse	Manufacturing Technician
Full-Time	08/23/2021	\$ 43,680.00	\$ 1,500.00	Operations	Client Experience - Retention	Coach SWITCH- Client Support Representative
Full-Time	08/02/2021	\$ 43,680.00	\$ 1,500.00	Operations	Warehouse	Shipping and Receiving Clerk
Full-Time	01/18/2018	\$ 46,800.00	\$ 1,500.00	Operations	Cash Logistics	Armored Carrier Specialist
Full-Time	08/23/2021	\$ 46,800.00	\$ 1,500.00	Operations	Installation	Service Coordinator
Full-Time	03/28/2023	\$ 46,800.00	\$ 1,500.00	Operations	Operations	Temporary Admin/Dispatch
Full-Time	12/01/2020	\$ 48,984.00	\$ 1,500.00	Operations	Installation	Service Coordinator
Full-Time	03/15/2021	\$ 49,982.40	\$ 1,500.00	Operations	Installation	QA Project Coordinator
Full-Time	09/15/2020	\$ 52,000.00	\$ 1,500.00	Operations	Warehouse	DCM Service Technician
Full-Time	12/08/2020	\$ 52,000.00	\$ 1,500.00	Operations	Warehouse	DCM Tech Support
Full-Time	01/18/2021	\$ 54,995.20	\$ 1,500.00	Operations	Cash Logistics	Cash Analyst
Full-Time	07/10/2017	\$ 70,070.00	\$ 1,500.00	Operations	Installation	Service Manager
Full-Time	03/01/2021	\$ 80,000.00	\$ 1,500.00	Operations	Warehouse	Service Tech Manager
Full-Time	06/15/2020	\$ 80,100.06	\$ 1,500.00	Operations	Cash Logistics	Senior Cash Logistics Manager

TOTAL:	\$	28,500.00
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GRAND TOTAL:	\$	170,979.04
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